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S E C R E T SECTION 01 OF 03 CAIRO 002543

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CENTCOM FOR GENERAL PETRAEUS FROM AMBASSADOR SCOBEEY

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TAGS: [PREL](#) [PARM](#) [MASS](#) [MOPS](#) [EG](#)
SUBJECT: SCENESETTER FOR GENERAL PETRAEUS' VISIT TO EGYPT

REF: A. CAIRO 2175
[1](#)B. CAIRO 2141

Classified By: Ambassador Margaret Scobey per 1.4 (b) and (d).

[1](#)1. (S/NF) Summary and Introduction: General Petraeus, welcome to Egypt. Your visit will be, I hope, the first in a regular process of dialogue and consultation with Egyptian leaders who view the U.S.-Egyptian security partnership as the cornerstone of the bilateral relationship. This visit provides an opportunity for you to assess the state of our military partnership and to identify new opportunities. To date, the U.S. investment in the Egyptian Armed Forces (over \$36 billion since 1980) through the Foreign Military Financing (FMF) program has supported peace between Egypt and Israel and assured Egyptian support for extending peace to the rest of the Arab world. In addition, the Egyptian military has the potential to become interoperable with U.S. forces * capable of fighting side by side as they did in the 1991 First Gulf War - and continues to provide critical Suez Canal and overflight access for U.S. military operations and to provide peacekeepers to regional and international conflict zones.

[1](#)2. (S/NF) The United States has sought to interest the Egyptian military into expanding their mission in ways that reflect new regional and transnational security threats, such as piracy, border security, and counterterrorism. Egypt, s aging leadership, however, has resisted our efforts and remains satisfied with continuing to do what they have done for years: train for force-on-force warfare with a premium on ground forces and armor.

[1](#)3. (S/NF) We have requested meetings with President Mubarak, Defense Minister Field Marshal Tantawi, EGIS Chief General Soliman, and Foreign Minister Aboul Gheit. The overall U.S.-Egyptian relationship has suffered in the past few years. The Egyptians have lost confidence in U.S. regional leadership. They believe that the U.S. invasion of Iraq was an unmitigated disaster that has unleashed Iranian regional ambitions and that the U.S. waited far too long to engage in Arab-Israeli peacemaking efforts. In addition, U.S. and Egyptian differences over the pace and direction of political reform have drained the warmth from the relationship on both sides. We believe President Mubarak would be interested in an early visit to Washington to consult with President Obama, in large part to try to begin repairing the relationship. End Summary.

Mil-Mil Cooperation: In Need of Renovation

[1](#)4. (S/NF) Mubarak and military leaders view the FMF program

as the cornerstone of our security relationship and believe the \$1.3 billion annual grant should be viewed as "untouchable compensation" for making peace with Israel. They complain that the parity between U.S. assistance to Israel and to Egypt has been destroyed as U.S. security assistance to Israel has climbed and theirs has remained fixed. We have come to take the U.S.-Egyptian security partnership for granted, but we should not underestimate its value to us and the region. Our partnership guarantees there can be no resumption of overt Arab-Israeli war and also provides valuable US military access to the Suez Canal and Egyptian airspace. We would not like to contemplate complications for U.S. regional interests should the U.S.-Egyptian bond be seriously weakened. Nevertheless, we recognize the backward-looking nature of Egypt's military posture and believe that finding new, mutually agreed objectives could assure the continuation of our strategic ties with Egypt into the future.

¶5. (S/NF) Seventy-seven year old Field Marshall Tantawi, in office since 1991, has resisted any change to usage of FMF funding and has been the chief impediment to transforming the military's mission to meet emerging security threats. During his tenure, the tactical and operational readiness of the Egyptian Armed Forces (EAF) has decayed. But he retains Mubarak's support, and could easily remain in place for years to come. Tantawi will likely express his opposition to Congress conditioning military and economic assistance and will seek support in convincing Congress of Egypt's strategic importance. He will also make a case for the release of certain military systems such as the TOW IIB and F-15 fighter aircraft.

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¶6. (S/NF) You should assure Mubarak and Tantawi that Egypt remains a key U.S. ally, but that we would like to find new areas of cooperation that build on existing relationships but that look to meeting new threats. Such a development would help us defend the Egyptian FMF program by demonstrating its ongoing value.

¶7. (S/NF) Threats to this partnership exist. Although all previous Administrations and Congresses since Camp David have reaffirmed the U.S. commitment to a strategic U.S.-Egyptian relationship, the events of the last few years have made a few cracks in the foundations. Congressional concern about Egypt's poor human rights and democracy record prompted the imposition in 2008 of conditions upon Egypt's assistance program. Although the Secretary of State was given the right to waive the conditionality, the Egyptians view conditionality as "unacceptable." We are currently dealing with the conditionality issue for FY2009.

¶8. (S/NF) The potential for Congressional action that could affect Egyptian FMF/ESF funding, creates even greater reason for Egypt to begin to orient more of its military capabilities toward unconventional threats. The more Egyptian military cooperation can be viewed as backstopping U.S. military requirements in the region, the easier it is to defend the Egyptian assistance program on the Hill. Over the last year, we have engaged MOD leaders on developing shared objectives to address current threats, including border security, counter terrorism, civil defense, and peace-keeping. Our efforts thus far have met with limited success. After initially strong resistance, MOD supported the first phase of a \$23 million FMF-funded counter-smuggling system soon to be installed on the Gaza-Egyptian border (ref A). You should encourage Tantawi to immediately approve the follow-on stages and stress the importance of using the knowledge gained from the seismic-acoustic equipment to destroy tunnels and break up arms smuggling rings.

¶9. (S/NF) One way to demonstrate Egypt's continued strategic importance is through shifting more FMF funding to address asymmetric threats like terrorism and improving border

security along its long and porous borders. You should also stress with GOE interlocutors that our mil-mil relationship is much greater than the yearly flow of military assistance. Egypt could play a much more active and influential role in regional security issues, including supporting and training the Iraqi military, deploying more peace keeping troops to Sudan, joining neighbors in combating piracy, and stemming the flow of illegal migration. Another such concrete display of a more forward looking security strategy would be to support CENTCOM's efforts to re-invent BRIGHT STAR. Tantawi will lament the loss of large-scale BRIGHT STAR. You should stress that BRIGHT STAR continues to be an important strategic statement for the U.S. and its regional allies, and solicit his input for ways to make BRIGHT STAR more relevant.

Regional Efforts

¶10. (S/NF) While the military remains inwardly focused, Mubarak and key Egyptian officials remain engaged on a number of regional issues. On Iraq, although President Mubarak remains deeply suspicious that Nuri Al Maliki answers to Tehran, other GOE officials have expressed increasing confidence that Iraq has turned a corner and may avoid civil war. Foreign Minister Aboul Gheit recently completed a successful trip to Baghdad in October (ref B) and is moving forward to reopen the Embassy in Baghdad. On the Israeli-Palestinian conflict, GOE efforts to facilitate intra-Palestinian reconciliation under the auspices of EGIS Chief General Soliman foundered in November due, in their view, to Iranian-Syrian meddling. On Iran, Egypt is concerned by rising Iranian influence in the region and has supported UN sanctions, but does not have a comprehensive strategy to counter Iran's regional momentum. The Egyptians have worked with Saudi Arabia and other Arab states to support Lebanese political and territorial sovereignty.

¶11. (S/NF) Egypt is a steadfast ally in the GWOT, and we maintain close cooperation on a broad range of counter-terrorism and law enforcement issues. We have a long-standing and productive relationship with EGIS and SSIS, the two Egyptian agencies that cover internal and regional

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terrorism issues. Through the Department of State's Anti-Terrorism Assistance program, we are working with SSIS to establish an anti-terror investigative unit, and also are in the beginning stages of a USG-funded community policing program that will include needed human rights training.

Internal Politics and Economics

¶12. (C) Our fundamental political reform goal in Egypt remains democratic transformation, including the expansion of political freedom and pluralism, respect for human rights, and a stable and legitimate transition to the post-Mubarak era. Egyptian democracy and human rights efforts, however, are being suffocated, and Mubarak remains skeptical of our role in democracy promotion, lecturing us that any efforts to open up will result in empowering the Muslim Brotherhood (which currently holds 86 seats in Egypt's parliament). Mubarak now makes scant public pretense of advancing a vision for democratic change. An ongoing challenge remains balancing our security interests with our democracy promotion efforts.

¶13. (S/NF) Mubarak, who is now 80, is in solid health, notwithstanding a hearing deficit in his left ear. The next presidential elections are scheduled for 2011, and if Mubarak is still alive it is likely he will run again, and, inevitably, win. Despite incessant whispered discussions, no one in Egypt has any certainty about who will eventually succeed Mubarak, nor how the succession will happen. Mubarak

himself seems to be trusting to God and the inertia of the military and civilian security services to ensure an orderly transition. The most likely contenders for next president are presidential son Gamal Mubarak (whose profile is ever-increasing at the ruling party), EGIS chief Omar Soliman, dark horse Arab League Secretary-General Amre Moussa, another old-guard regime insider, or an as-yet unknown military officer.

¶14. (C) Economic reform has been a success story, although Egypt still suffers from widespread and so far irremediable poverty affecting upwards of 35-40% of the population. Reforms in trade and tax policy, financial reform, privatization and increased transparency have led to 7% economic growth in the last fiscal year. Foreign investment increased from around \$3 billion in 2005 to \$11 billion in the last year, mostly in the petroleum sector. Despite this success, significant problems remain, including 20% inflation, high levels of poverty and unemployment, and endemic corruption. The effects of the global financial crisis on Egypt may not be as severe as elsewhere, as Egyptian banks operate very conservatively and have been spared involvement in risky financial products. The informal economy also provides a certain degree of resiliency to the economic picture. Nevertheless, as the economic crisis worsens, Egypt remains vulnerable as exports, Suez canal revenues, tourism, and remittances will reflect global trends.

¶15. (S/NF) U.S. economic assistance will drop from \$415 million in FY 2008 to \$200 million annually for the next five years starting in FY 2009. The Egyptians are not pleased with the cut and have suggested several ways of using the assistance that would be difficult to get through Congress, such as debt relief. We would like to focus assistance on health care and education reform along with poverty alleviation. Negotiations are ongoing over use of future assistance funds.

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